

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2532
ANSWERED ON:18.12.2003
CERC FOR TRANSMISSION OF POWER
MANIKRAO HODLYA GAVIT

Will the Minister of POWER be pleased to state:

- (a) whether the Central Electricity Regulatory Commission has given free hand to private sector power companies for transmission of power and that the Reliance Energy and Tata Power Company would be most benefited;
- (b) if so, whether these companies have made efforts to double their power generation;
- (c) if so, the details thereof;
- (d) whether due care has been taken by the Government that due to this power generation and supply companies of public sector may not be affected; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : Transmission of electricity is a licensed activity as per the Electricity Act, 2003. The Appropriate Commission has been empowered to grant licence for the purpose. The Central Electricity Regulatory Commission (CERC) has the powers to grant licence for inter-State transmission and the State Electricity Regulatory Commission for intra-State transmission. Under these powers CERC has framed Procedure, Terms & Conditions for grant of transmission licence Regulations prescribing the details of requirement for grant for transmission licence. So far, licence for inter-state transmission has been granted by CERC to only one entity viz., M/s. Powerlinks Transmission Ltd., which is a Joint Venture of Power Grid Corporation of India Ltd. and Tata Power Company Ltd. No other application for a transmission licence has been received by CERC.

The Electricity Act, 2003 is a progressive legislation that provides for measures conducive to development of electricity industry, promoting competition protecting interests of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies etc. The new law creates a liberal framework for development of the power sector and reduces entry barriers in different segments of the power supply industry.

The Electricity Act, 2003 has created a positive climate and generated fresh investors' interest in the power sector.

(d) & (e) : The Central Electricity Authority has estimated capacity addition to the tune of one lakh megawatt by 2012. In the 10th Plan public sector investment in generation has been stepped up and the outlay for Ministry of Power has gone up to Rs.1,43,399 crore from Rs.45,591 Crore in 9th Plan. Of the 41,000 MW of fresh capacity addition in the 10th Plan, 33,989 MW is envisaged in the public sector.